

110TH CONGRESS  
2D SESSION

# H. R. 5085

To amend the Internal Revenue Code of 1986 to expand expensing for small business.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 22, 2008

Mr. HERGER introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to expand expensing for small business.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Ex-  
5 pensing Temporary Expansion Act of 2008”.

6 **SEC. 2. INCREASE IN EXPENSING FOR SMALL BUSINESS.**

7 (a) IN GENERAL.—Paragraph (1) of section 179(b)  
8 of the Internal Revenue Code of 1986 (relating to dollar  
9 limitation) is amended by striking “\$125,000 in the case  
10 of taxable years beginning after 2006 and before 2011”

1 and inserting “\$500,000 in the case of taxable years be-  
2 ginning after 2007 and before 2011”.

3 (b) PHASEOUT OF LIMITATION ONLY BY 50 PER-  
4 CENT OF EXCESS OVER \$2,000,000.—Paragraph (2) of  
5 section 179(b) of such Code (relating to reduction in limi-  
6 tation) is amended to read as follows:

7 “(2) REDUCTION IN LIMITATION.—The limita-  
8 tion under paragraph (1) for any taxable year shall  
9 be reduced (but not below zero) by the amount (one-  
10 half of such amount in the case of taxable years be-  
11 ginning after 2007 and before 2011) by which the  
12 cost of section 179 property placed in service during  
13 such taxable year exceeds \$200,000 (\$2,000,000 in  
14 the case of taxable years beginning after 2007 and  
15 before 2011).”.

16 (c) REBASING OF INFLATION ADJUSTMENTS.—Sec-  
17 tion 179(b)(5)(A) of such Code (relating to inflation ad-  
18 justments) is amended—

19 (1) in the matter preceding clause (i) by strik-  
20 ing “2007 and before 2011, the \$125,000 and  
21 \$500,000” and inserting “2008 and before 2011,  
22 the \$500,000 and \$2,000,000”, and

23 (2) in clause (ii) by striking “calendar year  
24 2006” and inserting “calendar year 2007”.

1       (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to property placed in service in  
3 taxable years beginning after December 31, 2007.

